

PUBLIC DISCLOSURE

March 11, 2002

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

THE PROVIDENT BANK

**5 MARKET STREET
AMESBURY, MA 01913**

**DIVISION OF BANKS
ONE SOUTH STATION
BOSTON, MA 02110**

<p>NOTE: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the Division of Banks concerning the safety and soundness of this financial institution.</p>
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GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires the Division of Banks (Division) to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the needs of its entire assessment area, including low and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the Division must prepare a written evaluation of the institution's record of meeting the credit needs of its assessment area

This document is an evaluation of the Community Reinvestment Act (CRA) performance of the Provident Bank prepared by the Massachusetts Division of Banks, the institution's supervisory agency.

INSTITUTION'S CRA RATING: This institution is rated “Satisfactory”

The Provident Bank has exhibited high loan to deposit ratios over the last eight quarters with an average net loan to deposit ratio of 85.4 percent. Performance under this criterion exceeds satisfactory standards.

Based on the 2000 and 2001 Home Mortgage Disclosure Act (HMDA) data, approximately 63.6 percent of the bank's loans were granted inside the assessment area. During 2000, the bank ranked 12th in market share for the assessment area with a 1.66 percent share. In addition, a sample of small business loans was reviewed. This sample revealed that 69.1 percent of the number and 55.2 percent of the dollar amount of small business loans were originated inside the assessment area.

The distribution of loans to borrowers of different income levels represents an adequate penetration of the assessment area. An analysis of mortgage originations indicated that 26.9 percent of the total number of originations went to low and moderate-income borrowers. The sample of small business loans showed that 52.6 percent of those loans had loan amounts of \$100,000 or less and that 66.7 percent of those sampled loans went to businesses with revenues under \$1 million dollars.

There are no low or moderate-income census tracts within the bank's assessment area. However, the distribution of loan originations in the middle-income census tracts appears reasonable.

The bank's fair lending policies and practices were found to meet the standards for satisfactory performance and there were no CRA related complaints since the previous examination.

The bank's services and investments were also considered in the overall rating.

PERFORMANCE CONTEXT

Description of Institution

The Provident Bank is a state-chartered community institution incorporated under the laws of the Commonwealth of Massachusetts in 1828. The bank serves the savings and credit needs of individuals and businesses located throughout Amesbury and the surrounding cities and towns.

Provident Bank operates three full service offices including the main office located at 5 Market Street in downtown Amesbury. The bank's other two offices are located at the corner of Main Street and Route 110 in Amesbury, and in the Carriagetown Marketplace at 100 Macy Street in Amesbury. In addition to the branches, the bank operates two offsite cash machines located in the Towne Market at 14 Merrimac Square in Merrimac, and in the West Newbury Food Mart at 275 Main Street in West Newbury.

Branch hours are considered convenient and services of the bank appear sufficient to meet the needs of the assessment area. The office hours at the main office are Monday through Wednesday from 8:00 am to 4:00 p.m., Thursday and Friday from 8:00 am to 6:00 p.m. and Saturday from 8:00 am to 12:00 p.m. The bank's branch hours vary, but both have extended hours during the week as well as on Saturdays and Sundays.

In November 2000, the bank merged with Amesbury Co-Operative Bank, a local institution with \$31,000,000 in assets. The merger was officially consummated on March 1, 2001 when all the assets and liabilities of Amesbury Co-Operative Bank were incorporated with the loans and deposits of The Provident Bank.

As of December 31, 2001, Provident Bank had total assets of \$196,662,000 of which 60.9 percent are in the form of loans. The institution's primary lending focus is residential 1-4 family real estate, which comprises 60.0 percent of the loan portfolio.

Refer to the following table for additional information on the breakdown of loans.

Loan Portfolio Composition

Loan Type	Amount (000s)	Percent
One to Four-Family Residential Mortgages	\$71,733	60.0
Commercial Real Estate	\$22,937	19.2
Equity Lines of Credit	\$8,972	7.5
Multifamily Loans	\$6,965	5.8
Commercial and Industrial	\$4,948	4.1
Construction and Land Development	\$2,423	2.0
Consumer Loans	\$1,373	1.1
All Other Loans	\$406	0.3
Total Gross Loans	\$119,757	100.0

Source: December 31, 2001 Consolidated Report of Condition.

The Provident Bank has strong competition from several financial institutions within its assessment area. These financial institutions include but are not limited to the following: Newburyport Five Cents Savings Bank; Institution for Savings; First & Ocean National Bank; Unified Federal Credit Union, as well as representatives of regional and national banking and mortgage companies. The market influence from these institutions appears to be significant, and as a result, serves to keep the bank's rates and services offered competitive.

Market share information obtained from PCI Services, Inc. CRA WIZ, based on Year 2000 aggregate performance data indicates that 258 mortgage companies, savings banks, commercial banks, cooperative banks, and credit unions have either originated or purchased residential mortgage loans within the bank's assessment area. The Provident Bank ranked 12th with 1.66 percent of the market share within the assessment area. This ranking ties the bank with Bank of America N.A. The top lender in the assessment area for 2000 was the Institution for Savings with an 8.20 percent market share.

The bank's most recent Community Reinvestment Act (CRA) evaluation, performed by the Commonwealth of Massachusetts Division of Banks as of October 1, 1998 assigned a rating of "Satisfactory". The previous evaluation performed by the FDIC as of October 24, 1997 also assigned a rating of "Satisfactory".

A community contact was conducted during the examination and provided relevant information on the assessment area. The contact was conducted in Amesbury and was with an agency that deals with affordable housing.

Description of Assessment Area

The Provident Bank defines its assessment area as the cities and towns of Amesbury, Salisbury and Newburyport, Massachusetts, as well as the New Hampshire towns of South Hampton and Kensington. This assessment delineation places the bank's assessment area within the Boston MA-NH Metropolitan Statistical Area (MSA), with the exception of South Hampton and Kensington which are located within the Portsmouth-Rochester NH-ME MSA.

According to 1990 US Census Data, The Provident Bank's assessment area has a total population of 40,539 individuals and a total of 18,268 housing units. Housing stock within the assessment area is primarily one-to-four family residential dwellings (78.8%), of which a majority (54.4%) is owner-occupied.

Census tracts are defined as either low, moderate, middle or upper-income based on the median Family Household Income (FHI) within the census tract. The assessment area consists of 10 middle-income census tracts. There is one census tract designated for South Hampton and Kensington, New Hampshire, which is 0625.00.

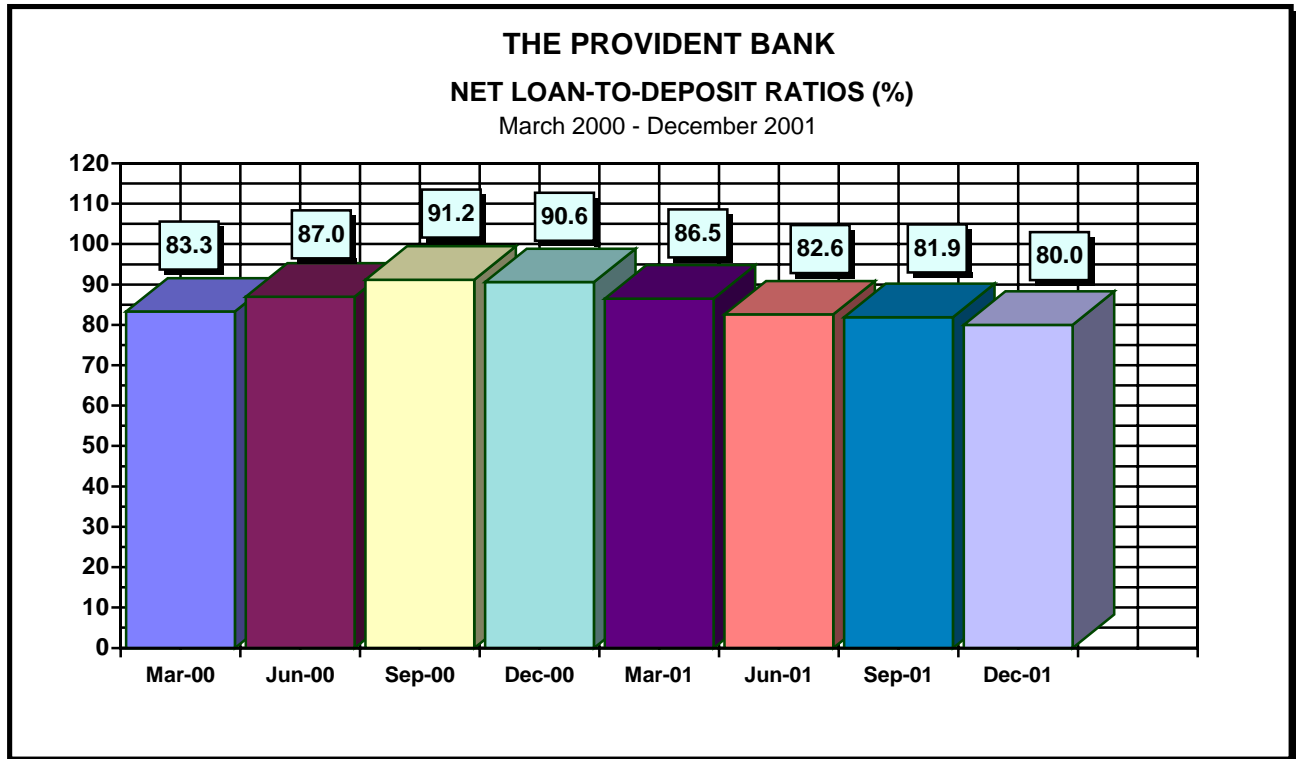
The median home value of the assessment area is \$158,939. However, this figure is based on 1990 US Census Data. A more recent figure was obtained from the March 11, 2002 Bankers & Tradesman. According to this publication, the average selling price for a home in the communities of Amesbury, Salisbury, and Newburyport from January to October of 2001 was \$244,650.

The town of Amesbury is a suburban community with an unusual industrial and manufacturing history. The town's earliest industries included mills, shipyards, and a heavily used ferry operation across the Merrimac River to Newburyport. Today, the same stone industrial buildings that once made nails and cloth are now filled with a diversity of manufactured products. Amesbury is located at a transportation crossroads of Interstate 95 and 495, which gives the town a good competitive edge for both residential and commercial development.

PERFORMANCE CRITERIA

1. LOAN TO DEPOSIT ANALYSIS

The Provident Bank's average net loan-to-deposit ratio was calculated by using the data reported in the previous eight quarterly FDIC Call Reports. This ratio is based on total loans net of unearned income and net of the allowance for loan and lease losses as a percentage of total deposits. The bank's average net loan-to-deposit ratio for the period March 31, 2000, through December 31, 2001, was 85.4 percent. At the previous Commonwealth of Massachusetts Division of Bank's examination on October 1, 1998, the average net loan-to-deposit ratio was 59.9 percent. The asset size of the institution has increased from \$153 million as of March 31, 2000, to \$197 million as of December 31, 2001, which represents a 28.6 percent increase. During this time, net loans increased approximately 35.5 percent, while deposits have increased approximately 41.1 percent. The following graph depicts the net loan-to-deposit ratio for each quarter under review.



During the time period March 31, 2001 to December 31, 2001 the bank's net loans increased by 1.8 percent, while deposits grew by 10.1 percent, the result of the merger with Amesbury Co-operative Bank and the acquisition of its deposit base which occurred in March 2001

The Provident Bank's net loan to deposit ratio was also compared to the ratios of other area institutions. The ratios used were as of December 31, 2001. These percentages range from a low of 56.8 percent to a high of 85.7 percent. Refer to the following table.

Institution	Asset Size (\$000)	Net Loan-to-Deposit Ratio
Newburyport Five Cents Savings Bank	\$371,448	85.7%
First & Ocean National Bank	\$232,398	83.7%
The Provident Bank	\$196,622	80.0%
Institution for Savings in Newburyport	\$403,987	56.8%

The Provident Bank is primarily a portfolio lender, though it does sell loans to Fannie Mae. During 2000 and 2001, the bank sold 48 loans totaling \$6,269,968 to the secondary market.

In conclusion, the bank's average net loan-to-deposit ratio of 85.4 percent is more than reasonable and exceeds the standards for a satisfactory rating given the bank's capacity to lend.

2. COMPARISON OF CREDIT EXTENDED INSIDE AND OUTSIDE OF THE ASSESSMENT AREA(S)

The Provident Bank's 2000 and 2001 Home Mortgage Disclosure Act Loan Application Registers (LARs) were reviewed to determine the amount of credit extended within the bank's assessment area. Loans in both Massachusetts and in the neighboring towns of Kensington and South Hampton New Hampshire were considered. During this period, the bank originated 187 HMDA-reportable loans totaling approximately \$28,600,000. Of these, 119 loans or 63.6 percent of the number totaling \$16,476,000 or 57.6 percent of the dollar value of all loans were originated in the bank's assessment area.

Amesbury accounted for the largest percentage of originations by number with 68.1 percent, followed by Newburyport with 15.1 percent. Amesbury also accounted for the largest dollar volume of originations with 66.4 percent, followed by Newburyport with 19.4 percent.

The following table provides the bank's HMDA-reportable lending by number and dollar amount.

Distribution of Home Mortgage Loans Inside and Outside the Assessment Area								
Year	Inside				Outside			
	Number of Loans		Dollar in Loans (000s)		Number of Loans		Dollars in Loans (000s)	
	#	%	\$	%	#	%	\$	%
2000	34	47.2	4,989	41.0	38	52.8	7,169	59.0
2001	85	73.9	11,487	69.9	30	26.1	4,955	30.1
Total	119	63.6	16,476	57.6	68	36.4	12,124	42.4

Source: HMDA LAR, CRA Wiz

As indicated in the above table, the majority (63.6% by number) of loans, for both 2000 and 2001, were originated inside the bank's assessment area.

Small Business Lending

A sample of The Provident Bank's 2000 and 2001 Small Business Loans was also reviewed to determine the amount of credit extended within the assessment area. This sample also involved loans from Massachusetts and the adjacent towns within New Hampshire. A total of 55 small business loans worth approximately \$13,599,000 were sampled. Of these loans, 38 loans totaling \$7,502,000 were originated to businesses within the bank's assessment area, representing 69.1 percent by number and 55.2 percent by dollar amount.

Small Business Loans by Number of Originations

Year	Inside		Outside		Totals	
	#	%	#	%	#	%
2000	15	62.5	9	37.5	24	100
2001	23	74.2	8	25.8	31	100
Total0	38	69.1	17	30.9	55	100

Source: Small Business Loan Registers for the period 1/1/00 to 12/31/01

Based on the above analysis, it is evident that the bank has originated the majority of its loans to borrowers within the assessment area. Therefore the overall percentage of lending inside the assessment area, for both residential and small business loans, is considered to be satisfactory.

3. DISTRIBUTION OF CREDIT AMONG BORROWERS OF DIFFERENT INCOME LEVELS

Provident Bank's residential loans were analyzed to determine the distribution of lending by borrower income level. The borrowers' reported incomes were compared to the median family incomes for the Boston MA-NH or the Portsmouth-Rochester NH-ME Metropolitan Statistical Areas (MSAs), depending on the location of the property. The Boston MA-NH MSA median Family Household Income (FHI) was \$65,500 for 2000 and \$70,000 for 2001. The Portsmouth-Rochester NH-ME MSA median FHI was \$52,300 for 2000 and \$56,100 for 2001. These income figures are based on estimated Department of Housing and Urban Development (HUD) information.

Low-income is defined by the US Census Bureau as income below 50 percent of the median family income level for the MSA. Moderate-income is defined as income between 50 percent and 79 percent of the median family income level for the MSA. Middle-income is defined as income between 80 percent and 119 percent of the median income. Upper-income is defined as income equal to or greater than 120 percent of the median income.

The following table depicts the number of HMDA-reportable loans to low, moderate, middle and upper-income borrowers in comparison to the percentage of households within the assessment area in each respective income group.

Distribution of HMDA Loans within the Assessment Area by Borrowers Income Levels							
Median Family Income Level	Total Households (% of #)	2000		2001		Total	
		#	%	#	%	#	%
Low	24.7	0	0.0	5	5.9	5	4.2
Moderate	17.2	5	14.7	22	25.9	27	22.7
Middle	20.4	10	29.4	23	27.1	33	27.7
Upper	37.7	17	50.0	32	37.6	49	41.2
NA	0.0	2	5.9	3	3.5	5	4.2
Total	100.0	34	100.0	85	100.0	119	100.0

Source: U.S. Census, HMDA LAR, CRA Wiz

During the examination period, the bank extended 5 loans to low-income borrowers representing 4.2 percent by number and 2.1 percent by dollar amount of the total loans within the assessment area. This falls below the 24.7 percent of low-income households within the assessment area. However, mitigating factors include the large number of people collecting social security (25.5%), households living below the poverty level (6.6%) and individuals receiving public assistance (5.9%). Income levels under these conditions limit homeownership opportunities.

The table further shows that the bank extended 27 loans to moderate-income borrowers, representing 22.7 percent by number and 16.7 percent by dollar amount of the total loans within the assessment area. The percentage of loans is higher than the 17.2 percent of moderate-income households within the assessment area.

The distribution of the bank's loans among various borrower income levels was compared to that of all other HMDA-reporters in the assessment area. Other HMDA-reporters include bank and non-bank entities such as large national banking companies, other local banks, credit unions and mortgage companies. The most recent data available for this analysis relates to calendar year 2000 and is presented in the following table.

Lending to Borrowers of Different Income Levels The Provident Bank Compared to All Other HMDA-Reporters			
Median Family Income Level	2000 Aggregate Lending Data	2000 The Provident Bank	
	%	#	%
Low	4.0	0	0.0
Moderate	16.0	5	14.7
Middle	25.0	10	29.4
Upper	38.7	17	50.0
NA	16.3	2	5.9
Total	100.0	34	100.0

Source: HMDA LAR, HMDA Aggregate Data, CRA Wiz

As indicated above, in 2000 the bank did not originate any loans to low-income borrowers. The aggregate granted 4.0 percent to low-income borrowers.

The Provident Bank's HMDA-reportable loans to moderate-income borrowers accounted for 14.7 percent by number. This percentage is slightly lower than that of the aggregate, which granted 16.0 percent of total loans by number to moderate-income borrowers.

In 2000, The Provident Bank ranked 22nd in lending to low and moderate-income borrowers within its assessment area. The bank originated 5 HMDA-reportable loans to borrowers in these income groups, capturing 1.2 percent of the market.

Small Business Lending

The small business loan sample within the bank's assessment area for 2000 and 2001 was further analyzed to determine the typical loan amount at origination. The majority of the loans originated (or 52.6% of all loans) had original loan amounts of \$100,000 or less, an indication of the bank's willingness to make loans of small dollar amounts to small businesses.

The distribution of loans to businesses of various revenue sizes was also analyzed. By number, 66.7 percent of the loans went to businesses with annual revenues less than or equal to \$1 million and 33.3 percent by number went to businesses with annual revenues greater than \$1 million.

As demonstrated above, the bank's lending to borrowers of different income levels including low and moderate-income individuals and businesses of different sizes reflects an adequate dispersion and is considered to meet the standards for satisfactory performance.

4. GEOGRAPHIC DISTRIBUTION OF LOANS

The purpose of reviewing the bank's geographic distribution of loans is to assess how well the bank addresses the credit needs of the assessment area's low, moderate, middle and upper-income census tracts. Since the Provident Bank's assessment area consists exclusively of middle-income census tracts, a limited geographic analysis was conducted.

In 2000 and 2001, the bank originated 119 loans within its assessment area. These originations were dispersed among all of the middle-income census tracts, with a concentration in Amesbury. The high penetration of lending within Amesbury is appropriate, given the location of the bank's three offices.

Based on the analysis of the geographic distribution of loans, the bank meets the standards of satisfactory performance in generating originations from all segments of its assessment area.

5. FAIR LENDING POLICES AND PRACTICES

The Provident Bank's fair lending performance was reviewed to determine how it relates to the guidelines established by Regulatory Bulletin 2.3-101, the Division's Community Reinvestment and Fair Lending Policy. A review of the public comment file indicated that the bank received no complaints pertaining to the institution's CRA performance since the previous examination. In addition, a review of the bank's residential loan application files was conducted for fair lending issues. There were no discriminatory practices evident in the file review.

The bank's fair lending policy and procedures are comprehensive. Specific areas pertaining to prohibited activity, advertising practices, loan review, training, policy review, the bank's loan application process, and regulations pertaining to the Equal Credit Opportunity Act (ECOA), Fair Housing Act, and the Home Mortgage Disclosure Act are discussed. The loan department receives annual training on HMDA and ECOA. All bank personnel, including the Bank's Board of Directors, have been introduced to Fair Lending.

The bank has established a second review process for residential real estate applications that are slated for denial. Officers experienced in credit underwriting review all applications slated for denial to ensure all applicants are treated consistently.

The bank has developed a formal Branch Office Opening and Closing Policy. The policy details the procedures the bank will follow before opening or closing a branch. Since the last examination, no offices have been closed. The bank did open a new branch located in the Carriagetown Marketplace in December of 2000. In addition, two new cash machines were installed at the Towne Market in Merrimac in November of 2000 and at the West Newbury Food Mart in September of 2001.

Minority Application Flow

The Provident Bank's assessment area contains 40,539 individuals, 625 or 1.5 percent of whom are minorities. The assessment area's minority population is 0.1 percent Native American, 0.3 percent Asian, 0.4 percent Black, 0.5 percent Hispanic and 0.2 percent Other.

A review of residential loan applications was conducted in order to determine the number of applications the bank received from minorities. The bank received 137 residential loan applications from within its assessment area. During this period, 1 application or 0.7 percent was received from a minority applicant.

The bank's minority application flow for this review period was compared with the racial make-up of the assessment area and fell slightly below the racial composition. In addition, the application flow was compared to the 2000 aggregate data for all other HMDA reporters within the assessment area. The bank's performance also fell below the

aggregate which made 2.9 percent of all loans to minorities. Provident Bank's minority application flow appears to be low, even given the racial composition of its assessment area.

COMMUNITY DEVELOPMENT, INVESTMENT, AND SERVICES

At management's request, flexible-lending practices, investments, and services were reviewed and were found to support the overall satisfactory rating.

Community Development Lending

As defined under the revised CRA regulation, a qualified investment is a lawful investment, deposit, membership share or grant that has community development as its primary purpose. Community development includes affordable housing for low and moderate-income individuals, community services targeted to low and moderate-income individuals, and activities that revitalize or stabilize low and moderate-income geographies. Qualified services include community development services as well as accessible and effective means of delivering retail-banking services.

While the bank did not have any loans that meet the definition of community development, the bank did make one loan worth mentioning. In 2000, the bank originated a loan to a non-profit organization that specializes in subsidized housing. The agency supports the housing and employment needs of adult mentally disabled individuals.

Innovative or Flexible Lending Practices

The Provident Bank participates in loan programs aimed at meeting the credit needs of low and moderate-income homebuyers. Details of these programs are as follows:

First Time Homebuyer Program: The Provident Bank offers a first time homebuyer program to qualified applicants. The program offers a 5/1 ARM priced ½ percent below the market rate. In addition the bank takes \$500 dollars off closing costs. During 2000, the bank originated 14 loans totaling \$ 2,078,865 under this program.

Coastal First Time Homebuyer Program: Community Action Inc sponsors the Coastal First Time Homebuyer Program. The program allows eligible first-time homebuyers in the communities of Amesbury, Salisbury, Merrimac, Newburyport, Haverhill, and Lawrence the opportunity to own a home. The program offers a 7/1 ARM fixed at 5.5 percent and then converts to a 1-year adjustable. There is a \$500 dollar credit toward closing costs. A 5 percent downpayment is required of which 3 percent must be the borrower's own funds. Potential homebuyers must also complete a certified homebuyer program. During 2001, the bank made 1 loan totaling \$65,550.

SBA Loan Origination (7A): Through the bank's participation with the SBA, small businesses may obtain loans at or below market rates with little documentation and limited

processing time, which makes credit more readily available. The 7a Program offers a variety of loan types to small businesses. Participating institutions receive a guarantee on the funds loaned under the program to reduce some of the risk of lending to small businesses. The bank closed 3 loans in 2001 for \$116,000, under this program.

Massachusetts Capital Access Program (CAP): The Massachusetts Business Development Corporation administers the CAP. The purpose of the program is to increase banks' flexibility in originating loans to small businesses, especially to those businesses that may not qualify under normal loan underwriting policies. "Pooled reserve" accounts are established at each participating bank from funds contributed by the bank, the borrower, and the State of Massachusetts. The bank can draw down these accounts to absorb losses incurred on qualifying small business loans enrolled in the CAP. To participate in the program a loan must be made to a qualifying small business based in Massachusetts, the business must have annual sales of less than \$5 million, and the loan amount generally may not exceed \$500,000. During 2000 the bank originated 2 loans totaling \$52,500. During 2001, the bank originated one loan totaling \$15,000.

Investments

The bank's qualified investments consist solely of charitable contributions. From January 1, 2000 through December 31, 2001 the bank provided \$17,277 in qualified contributions and grants, in support of organizations which promote community development, as defined under the revised CRA regulation. The following are examples of these contributions:

The Pettengill House: A food pantry and woman's crisis center for abused women in Salisbury, MA.

Main Street Fire Victims Fund: This fund was established to help those low and moderate-income individuals who lost their homes and possessions as a result of a massive fire in downtown Amesbury.

Consumer Credit Counseling: An agency that provides credit counseling services to individuals throughout New England.

In addition to the above contributions, the bank established a foundation in 1998 called the Provident Community Foundation. The bank funded the foundation with \$2.1 million dollars, which is available to community organizations and projects. The foundation focuses extensively on providing resources to non-profit community organizations that can establish a specific need, propose an innovative project, attract and sustain collaborative partnerships, and deliver measurable outcomes and results.

During 2000 and 2001 the foundation granted \$22,913 and \$31,561, respectively, to organizations that qualify under the community development definition. Some of the

organizations that benefited include a crisis center for abused women, a soup kitchen, and a state-sponsored school that provides an alternative to low and moderate-income families with children who are unable to function in the mainstream school system.

Services

An evaluation of services considers an institution's record of helping to meet the credit needs of its assessment area by analyzing both the availability and effectiveness of an institution's systems for delivering retail banking services and the extent and innovativeness of its community development services. The bank's level of retail and community development services supports the overall rating.

The Provident Bank offers various types of lending products including residential mortgage loans (fixed and adjustable), home equity loans, home improvement loans, construction loans, first-time home buyer loan programs, automobile loans, overdraft lines of credit, SBA loans, time notes, and commercial mortgages.

The bank's systems for delivering retail-banking services are readily available to geographies and individuals of all income levels throughout its assessment area. Low-cost checking and savings products are offered and customers may access account information via telephone, 24 hours per day, seven days a week, in addition to access via the Internet and regular mail.

The Provident Bank maintains a website at www.the Provident Bank.com. The site allows users to obtain account balances, view their account history, and get current rates. In addition, customers may pay their bills online.

Customers of the bank can also access their account information through the Provident Bank's telephone banking system. Customers can obtain account balances, mortgage balances, savings and CD rates as well as transfer funds and make loan payments.

Community Development Services

Through the participation of its directors, management and employees, the bank is involved in providing support to local community development programs and projects. Through this involvement, the bank's staff lends their technical expertise, experience and judgment to these organizations. Detailed below is a sample of The Provident Bank's qualified community development services.

- **Alliance for Amesbury:** The Alliance's mission is to "forge a working partnership between public officials, the business community and the citizens of Amesbury that will, through cooperation, focused effort, common resolve and mutual respect, promote a vibrant economy, establish a premier community identity and enhance the quality of life". Several of the bank's officers are involved with the Alliance for Amesbury.

- **Provident Community Foundation:** The goal of this foundation is to focus resources on improving, enhancing and securing the quality of life in the community, by providing grants to nonprofit community based organizations. The bank's President serves on the Board for the Foundation.
- **Amesbury Basic Education Community Partnership:** This organization helps people to obtain their GED and learn English as a second language. It is geared toward low and moderate-income individuals. The bank's Senior Vice President serves as a member of the Partnership.

THE COMMONWEALTH OF MASSACHUSETTS

To the COMMISSIONER OF BANKS:

THIS IS TO CERTIFY, that the report of examination of the

THE PROVIDENT BANK

for compliance with applicable consumer and fair lending rules and regulations and the Community Reinvestment Act (CRA), as of the close of business **MARCH 11, 2002**, has been read to or by the undersigned and the matters referred to therein will have our immediate attention.

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A majority of the Board of Directors/Trustees

Dated at _____ this _____ day of _____ 20____

PERFORMANCE EVALUATION DISCLOSURE GUIDE

Massachusetts General Laws Chapter 167, Section 14, as amended, and the Uniform Interagency Community Reinvestment Act (CRA) Guidelines for Disclosure of Written Evaluations require all financial institutions to take the following actions within 30 business days of receipt of the CRA evaluation of their institution:

- 1) Make its most current CRA performance evaluation available to the public;
- 2) At a minimum, place the evaluation in the institution's CRA public file located at the head office and at a designated office in each assessment area;
- 3) Add the following language to the institution's required CRA public notice that is posted in each depository facility:

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Massachusetts Division of Banks, at 5 Market St. Amesbury, MA.

[Please Note: If the institution has more than one assessment area, each office (other than off-premises electronic deposit facilities) in that assessment area shall also include the address of the designated office for that assessment area.]

- 4) Provide a copy of its current evaluation to the public, upon request. In connection with this, the institution is authorized to charge a fee which does not exceed the cost of reproduction and mailing.

The format and content of the institution's evaluation, as prepared by its supervisory agency, may not be altered or abridged in any manner. The institution is encouraged to include its response to the evaluation in its CRA public file.